



Iowa Department of Human Services

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Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

Iowa Mental Health and Disability Services Commission

August 27, 2014

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Representative
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Charles M. Palmer, Director
Iowa Department of Human Services
Hoover State Office Building
1305 E. Walnut Street
Des Moines, IA 50319

Dear Director Palmer,

This letter is to communicate the recommendation of the MHDS Commission for addressing the increase in MHDS service costs in the DHS funding submission for State Fiscal Year 2016.

As you know, The Mental Health and Disability Services (MHDS) Commission has a statutory duty to advise the Administrator, the Council on Human Services, the Governor, and the General Assembly on budgets and appropriations concerning disability services. (Iowa Code 225C.6) In addition, when Senate File 2315 became law in 2012, it created the mental health and disability regional services fund and afforded the MHDS Commission an opportunity to provide input into your annual budget submission to “determine and include in the estimate the amount which in order to address the increase in the costs of providing services should be appropriated to the fund for the succeeding fiscal year.”

The Commission values this opportunity for timely consultation regarding this aspect of the Department’s budget estimate and has convened a committee to review available sources of information and formulate our three-part recommendation:

- First, we recommend increasing the prior year’s budget to address inflation, overall population growth based on the most recent census data, and growth in service utilization. Based on cost increase and inflation factors for mental health services published by the Substance Abuse and Mental Health Services Administration (SAMHSA), we propose applying an inflation and growth factor of at least two percent.

- Second, we recommend that funds from the Medicaid offset be designated to stabilize the resources available to the MHDS regions for the full implementation of core services, and to provide opportunities for all regions to begin offering additional (“core plus”) services throughout the state, with a focus on the development and expansion of crisis response, jail diversion, early intervention, and prevention services designed to reduce the need for longer term, more intensive, and more costly services.
- Third, to ensure that individuals who are at risk of institutionalization have timely access to home and community-based options, we recommend that you include funding to make further significant reductions in the HCBS Waiver waiting lists in your budget request for Medicaid.

The members of the MHDS Commission look forward to continuing to work with you and the Department to ensure that our State’s newly initiated regional mental health and disability services system has adequate resources and funding to effectively support and respond to the needs of Iowans.

Thank you for your consideration.

With regards,

A handwritten signature in blue ink, appearing to read 'Patrick Schmitz', with a stylized flourish at the end.

Patrick Schmitz, Chair

Committee Members:

Thomas Broeker
Jill Davisson
Betty King
Michael Polich
Patrick Schmitz
Marilyn Seemann